EM Program Planning and Budget

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EM Mission

"Complete the safe cleanup of the environmental legacy brought about from five decades of nuclear weapons development, production, and Government-sponsored nuclear energy research."

- *Largest environmental cleanup effort in the world, originally involving two million acres at 108 sites in 35 states*
- *Safely performing work*
  - *In challenging environments*
  - *Involving some of the most dangerous materials known to man*
  - *Solving highly complex technical problems with first-of-a-kind technologies*
- *Operating in the world's most complex regulatory environment*
- *Supporting other continuing DOE missions and stakeholder partnerships*

Program Priorities

- *Essential activities to maintain a safe and secure posture in the EM complex*
- *Radioactive tank waste stabilization, treatment, and disposal*
- *Spent nuclear fuel storage, receipt, and disposition*
- *Special nuclear material consolidation, processing, and disposition*
- *High priority groundwater remediation*
- *Transuranic and mixed/low-level waste disposition*
- *Soil and groundwater remediation*
- *Excess facilities deactivation and decommissioning (D&D)*

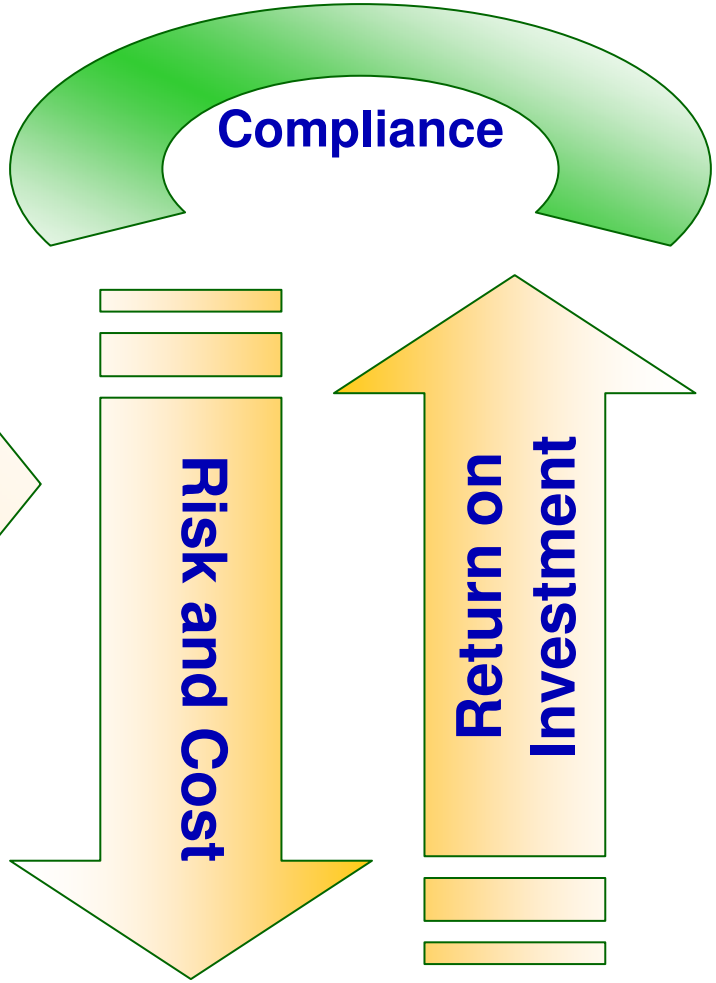
Cleanup Approach

Sound business practices
- Near term completions
- Footprint reduction

Use science and technology to optimize the efficiency of tank waste disposition

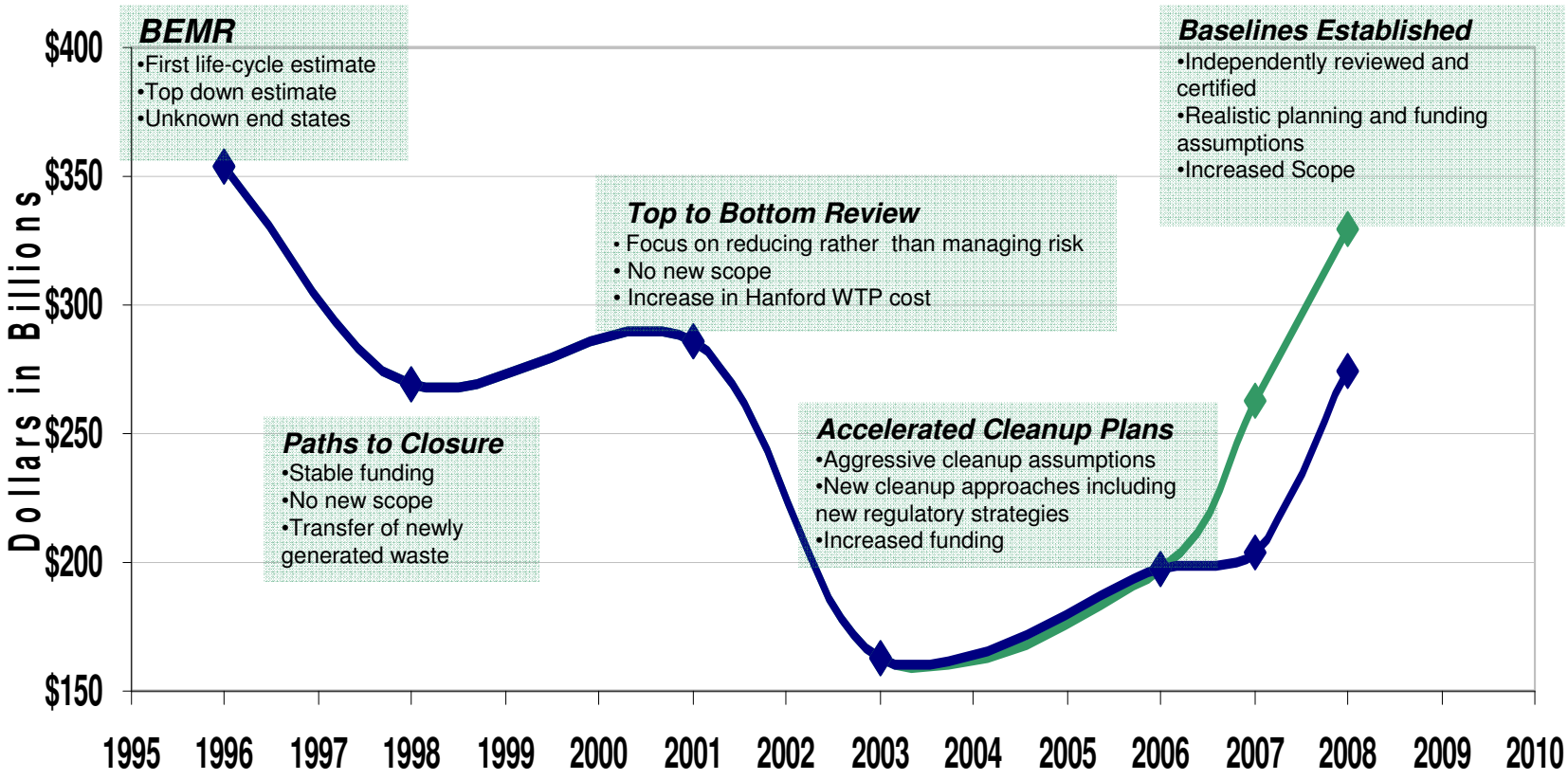
Use science and technology to optimize the efficiency of excess nuclear materials, and spent nuclear fuel disposition

Alternative management approaches such as the Energy Parks Initiative



EM Life-cycle Cost

Evolution of EM Life-cycle Cost



EM Life-cycle Cost

Evolution of EM Life-cycle Cost

Key Scope Assumptions

1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

BEMR
- First life-cycle estimate
- Top down estimate
- Unknown end states

Paths to Closure
- Stable funding
- No new scope
- Transfer of newly generated waste

Top to Bottom Review and Accelerated Cleanup Plans
- Aggressive cleanup assumptions
- New cleanup approaches including new regulatory strategies
- Increased funding
- Portsmouth & Paducah GDP D&D removed from scope
- Office of Future Liabilities responsible for any new scope
- Removal of Pu from Hanford
- Low activity tank waste treated/disposed in situ
- Transfer of spent fuel program to RW
- Transfer of H canyon to NNSA in FY2008
- No treatment of Idaho calcine waste

Certified Baselines
- Re-baseline to more realistic funding assumptions
- Increased Scope:
  - Hanford WTP due to changing requirements
  - More robust design criteria for SRS Salt Waste Processing Facility
  - Los Alamos Consent Order
  - Portsmouth & Paducah GDP D&D
  - Pension & benefit liabilities
  - SNF program remains in EM
- New scope:
  - IFDP at Oak Ridge
  - Treatment and disposal of U233 in Building 3019 at Oak Ridge
  - Consolidation of Pu at SRS
  - Disposition of 13 MT of Surplus PU utilizing H-canyon
  - No in tank disposal of low activity waste activity tank
  - Treatment of Idaho calcine waste

EM Life-cycle Cost

Life-Cycle Cost Estimate for Current EM Scope

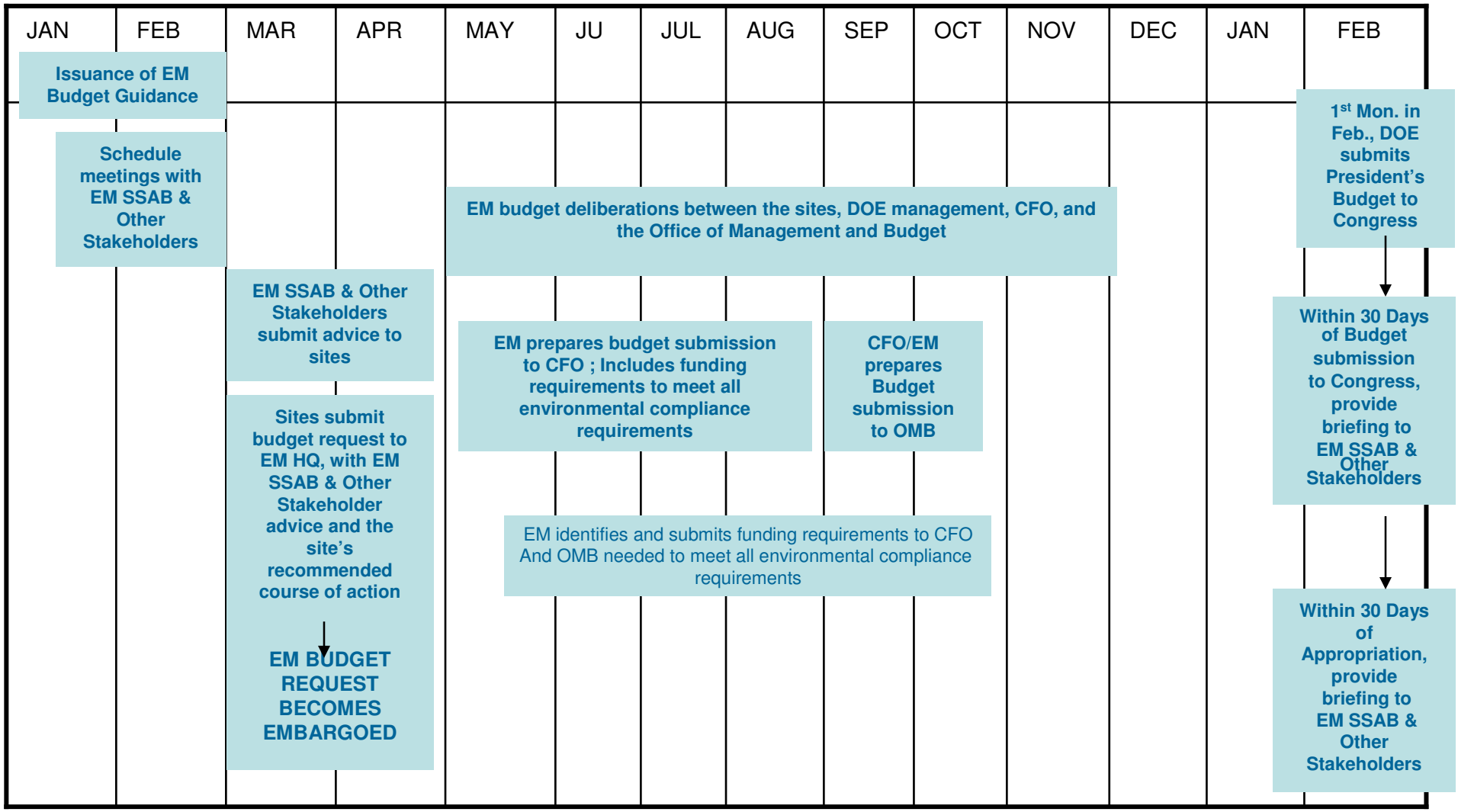
$274 - $330B
2050 - 2062

FY 2008
Environmental Liability

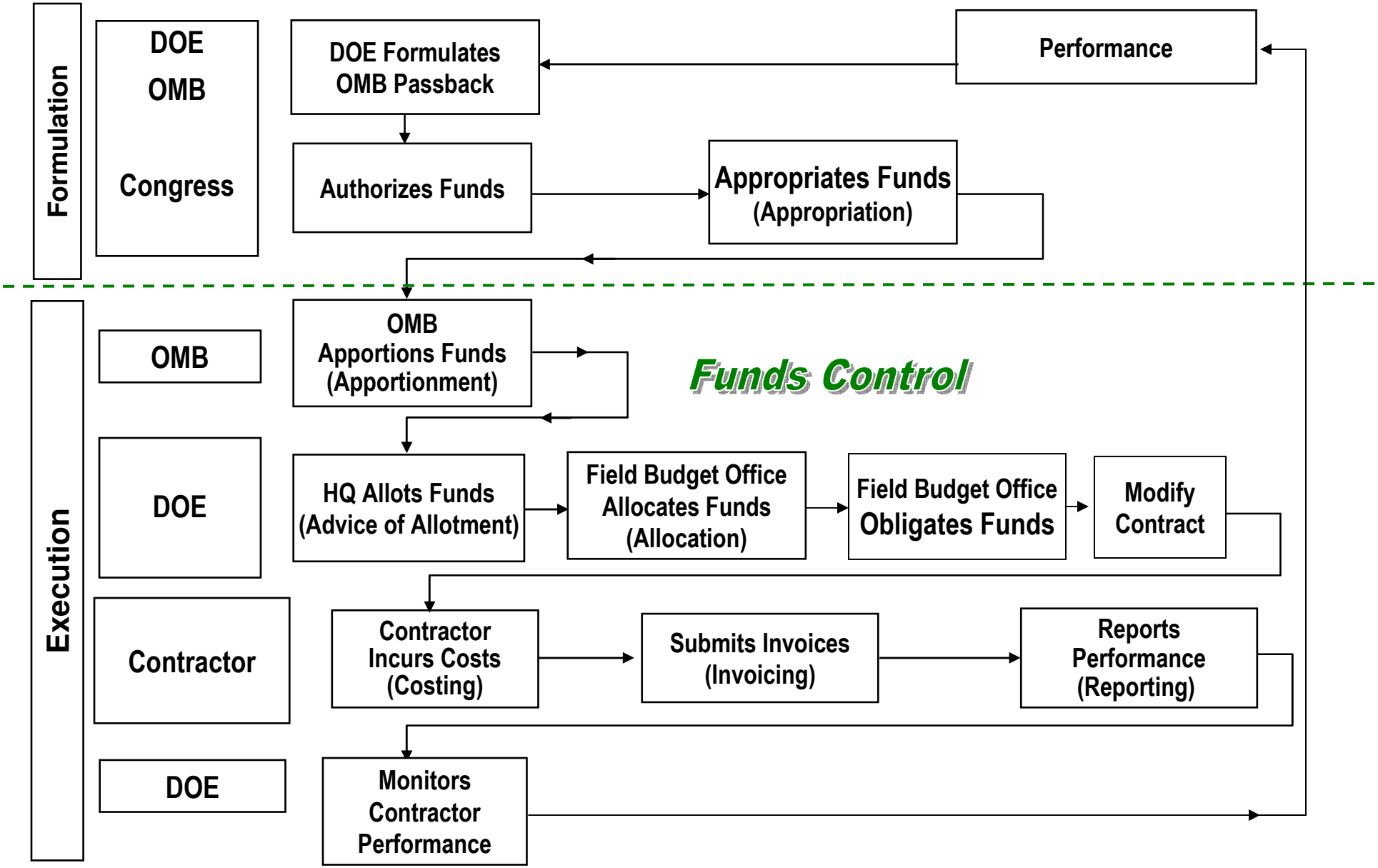
New EM Scope

- NNSA, SC and NE identified cleanup work for EM consideration
- 306 surplus facilities
- 34 types of materials
- $3.7B-9.2B Cost estimate

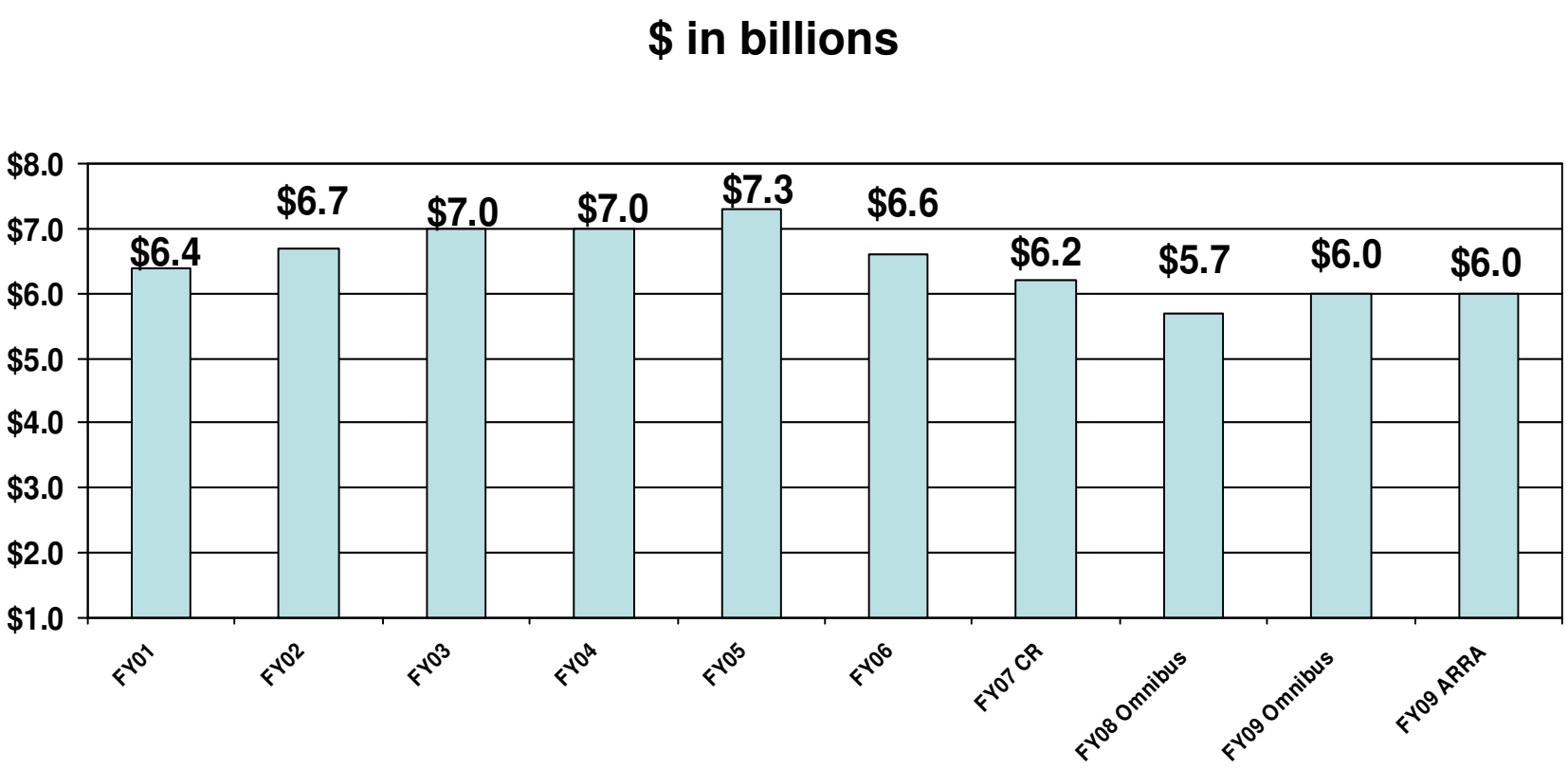
Overview of Budget Process



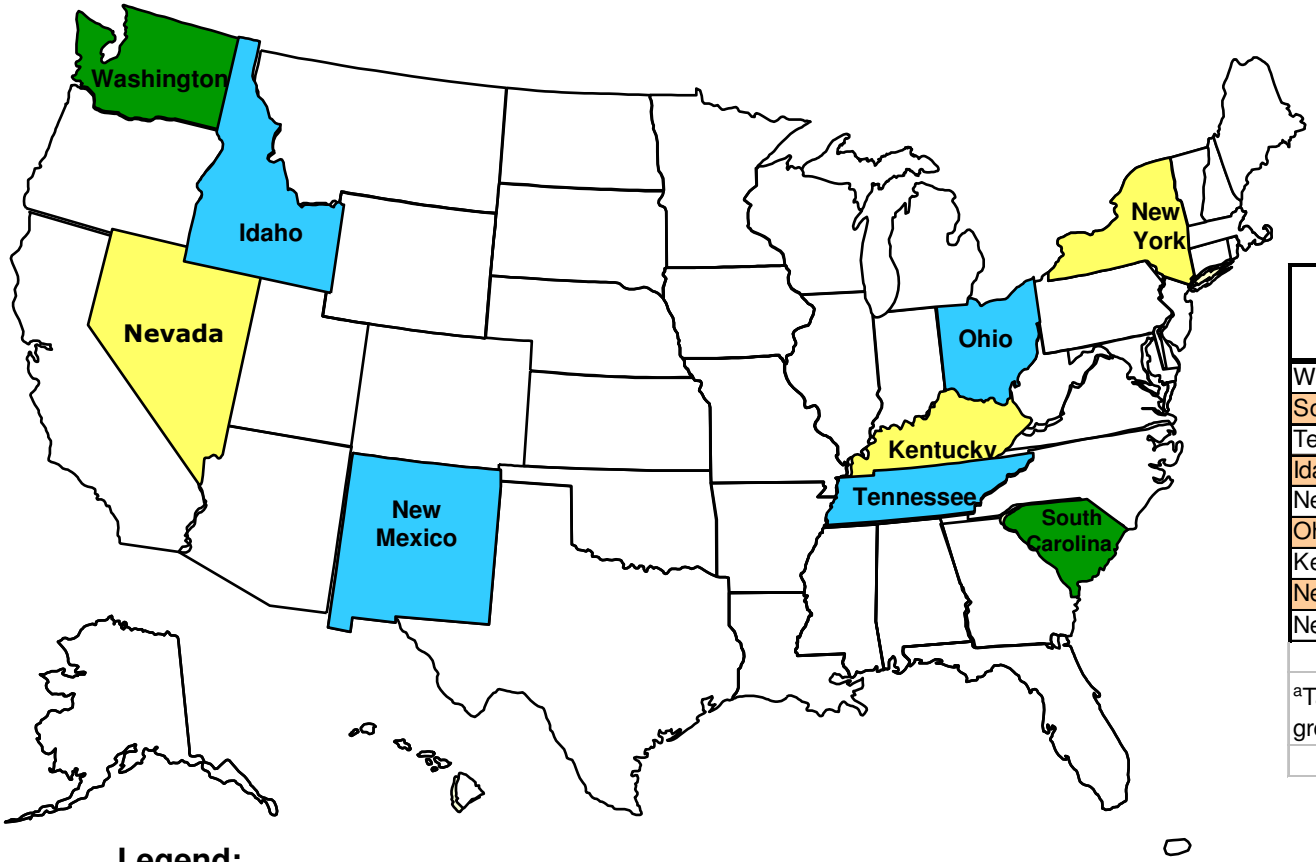
Overview of Budget Process



EM Funding History



EM Program FY 2009 Budget



EM Budget
$6.0 Billion

State[a]	FY 2009 Omnibus ($ in Millions)
Washington	2,138
South Carolina	1,411
Tennessee	514
Idaho	499
New Mexico	478
Ohio	324
Kentucky	180
New York	93
Nevada	76

[a]Table only includes states with $50M or greater in EM funding.

Legend:

Over $1 billion

$300 million to $1 billion

$50 million to $300 million

Site Specific Distribution

	FY 2008 Approp	FY 2009 Omnibus	FY 2009 Stimulus
Argonne National Laboratory	$433	$29,479	
Brookhaven	$15,438	$8,433	
Energy Technology Engineering Center	$12,882	$15,000	
Fernald	$0	$2,100	
Hanford	$1,001,749	$1,057,496	
Idaho	$522,838	$489,239	
Los Alamos National Laboratory	$175,158	$224,639	
Miamisburg	$30,032	$30,574	
Moab	$23,734	$45,699	
Nevada	$85,368	$75,674	
Oak Ridge	$493,038	$498,738	
Office of River Protection	$976,540	$1,009,943	
Paducah	$148,211	$169,922	
Portsmouth	$224,260	$240,690	
Savannah River	$1,286,754	$1,361,479	
SPRU	$27,334	$18,000	
Stanford Linear Accelerator Center	$7,846	$4,883	
Waste Isolation Pilot Plant	$239,467	$236,785	
West Valley Demonstration Project	$66,485	$66,900	
Other Sites	$36,365	$4,630	
Completed Sites Administration and Support	$12,915	$14,309	
Program Direction	$306,941	$309,807	
Program Support	$32,844	$33,930	
Uranium Thorium Reimbursement	$19,818	$10,000	$70,000
Technology Development & Deployment	$20,600	$32,320	
Congessionally Directed Activities	$17,195	$22,665	
	$5,756,869	$5,991,572	$6,000,000

Recovery Act Priorities

- *Maximum return on money invested*
- *"Shovel Ready" Projects*
  - *Fully defined cost, scope and schedule*
  - *Established regulatory framework*
  - *Proven technology*
  - *Proven performance*
- *Contractual mechanisms in place*
  - *Ability to deploy resources quickly and accountability for results*
- *Ability to place "Boots on the Ground"*
  - *Create and / or preserve jobs*

Recovery Act Scope

- *Scope that can most readily be accelerated to take advantage of Recovery Act funds*
  - *Soil and water remediation*
  - *Radioactive waste disposition*
  - *Facility decommissioning*

- *Site closure and EM completions*

- *Reduce the EM footprint*
  - *Across the complex*
  - *Within a site*

Recovery Act Status

- *Aggressive implementation—ARRA funding within two weeks*
- *Opportunities identified at 17 sites in 12 states meeting ARRA principles (totaling $6B through FY 2011)*
  - *ARRA proposals developed by sites with site priorities in mind*
  - *ARRA proposals accelerate work activities that have compliance milestones associated with them*
  - *Flexibility in work scope, but first and foremost, ARRA funds are about job creation*
- *Applying Project Management Principles*
  - *Graded approach*

Recovery Act

- *EM has been given the opportunity to make additional investments in lower risk activities and complete building the capability for dispositioning tank waste, nuclear materials, and spent nuclear fuel*

- *With the additional funding EM will be expected to achieve results*
  - *Create and preserve thousands of jobs*
  - *Provide significant environmental cleanup*
  - *Make large tracts of land available for re-utilization*

Footprint Reduction

Economic Stimulus

Office of Environmental Management (EM)

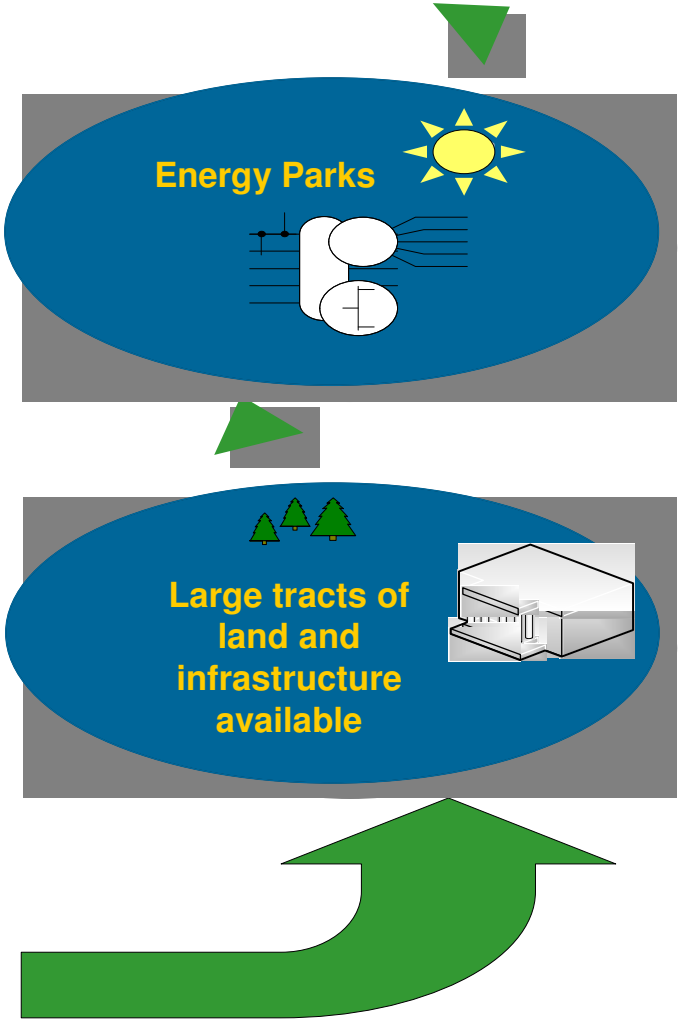
EM footprint reduction, small site completions, and additional investment opportunities

Jobs created

Lifecycle cost reduced

Environment protected

Footprint reduced



Clean, Diverse Energy Sources

- Energy security
- Establish long-term site mission
- Sustainable jobs